1	2	3	4
37	12-12-92	8.55	8.46
38	19-12-92	8.55	8.64
39	26-12-92	7.84	
40	02-01-93	7.12	
41	09-01-93	6.97	
42	16-01-93	6.77	
43	23-01-93	7.00	
44	30-01-93	6.86	
45	06-02-93	6.95	
46	13-02-93	6.56	

* The index at the time of its release is provisional and it is made final after eight weeks by which time the required information is available.

Objective of LERMS

895. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) what was the main objective behind the introduction of Liberalised Exchange Rate Management System (LERMS);

(b) what is the extent to which Government succeeded in achieving the objective;

(c) whether there is any failure in achieving the objective; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The introduction of the Liberalised Exchange Rate Management System (LERMS) effective from 1st March, 1992, is aimed at eliminating licensing control and allowing the exchange rate to reflect the scarcity of foreign exchange. The system has worked fairly well so far. Despite virtually complete removal of import licensing on all raw materials components, intermediates and capital goods, the trade account has been managed fairly effectively without any undue pressure on the exchange rate. The difference between free market rate and the illegal or hawala rate is fairly small, around eight per cent or so, which is an important factor moderating the diversion of foreign exchange into illegal channels.

(c) No, Sir.

(d) Does not arise.

Impact of new financial measures on NRI Investment

896. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) What has been the Impact of new Financial Measures on the investment made by NRIs; and

(b) what are the results of the periodic studies conducted on the investment made by NRIs and MNCs after the announcement of new policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The investment proposals received from NRIs and appro-